

NEWS RELEASE

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CANADIAN MAN PLEADS GUILTY TO FRAUD OFFENSES

Randy G. Massey, Acting United States Attorney for the Southern District of Illinois, announced today that **TERRENCE CROTEAU**, age 31, from Welland, Ontario, pleaded guilty to twenty five counts of a twenty nine count indictment. **CROTEAU** was indicted on June 21, 2005 by a federal grand jury. **CROTEAU** was previously charged in a criminal complaint on September 3, 2004. The indictment charged him with conspiracy to commit mail & wire fraud and other offenses, twenty counts of mail fraud, four counts of wire fraud, one count of use of a false and fictitious name in furtherance of mail fraud, two counts of mailing or transmitting threatening communications, and one count of making harassing telephone calls. **CROTEAU** pled guilty to one count of conspiracy to commit mail and wire fraud, twenty counts of mail fraud and four counts of wire fraud.

According to information provided to the Court during the plea hearing, the Defendant operated a business directory scam out of Montreal, Quebec and Welland, Ontario between 2000 and the late spring, 2004. Defendant employed telemarketers who telephoned U.S. businesses under the false pretenses that they were from a legitimate business which published business directories, including an on line business directory on the Internet. Defendant's telemarketers used a variety of deceptive tactics to close sales, including duping businesses into thinking that they were renewing or continuing supposedly pre-existing listings, or simply confirming a shipping address. Victims were also sent unsolicited versions of a purported business directory on CD-Rom. Defendant's collection staff followed up with an invoice sent through the mails which, if not paid, resulted in a series of harassing telephone calls to the U.S. threatening to ruin the businesses' credit. Some of these threats were in the form of a letter from a purported, but non-existent lawyer by the name of "Howard J. Anderson, Esq." from the "Lawyers Co-operative Group," (a non-existent organization). Defendant's telemarketers made numerous telephone calls to the United States in an attempt to defraud U.S. businesses and consumers.

Eleven of the counts are punishable by a term of imprisonment not to exceed five years. Fourteen of the counts are punishable by a term of imprisonment not to exceed twenty years. All counts are punishable by a fine not to exceed \$250,000.

The case was investigated by the U.S. Postal Inspection Service with substantial assistance from the Federal Trade Commission in Chicago. The Niagara Regional Police Service in Welland, Ontario and the Ontario Provincial Police, assisted by the Toronto Police Service, conducted a concurrent investigation. The investigation arose as a result of the efforts of the Toronto Strategic Partnership. The case is being handled by Assistant United States Attorney Bruce E. Reppert.